CITY OF TIGARD, OREGON

RESOLUTION NO. 02-69

A RESOLUTION FINALIZING SANITARY SEWER REIMBURSEMENT DISTRICT NO. 22 (HOWARD DRIVE)

WHEREAS, on March 12, 2002, the City Council approved Resolution No. 02-18 to form Sanitary Sewer District No. 22 to construct sewers in SW Howard Drive in accordance with TMC Chapter 13.09; and

WHEREAS, Resolution No. 02-18 included the City Engineer's Report that included an estimated construction and total project cost; and

WHEREAS, construction of the sewer improvements has completed, final costs have been determined and the City Engineer's Report has been revised to include the final costs as required by TMC 13.09.105 (1); and

WHEREAS, these property owners have been notified of an informational hearing in accordance with TMC 13.09.060 and an informational hearing was conducted in accordance with TMC 13.09.105; and

WHEREAS, the City Council has determined that the proposed revisions to the City Engineer's Report as recommended by the City Engineer are appropriate.

NOW, THEREFORE, BE IT RESOLVED by the Tigard City Council that:

SECTION 1 The revised City Engineer's Report titled "Sanitary Sewer Reimbursement District No. 22", attached hereto as Exhibit A, is hereby approved.

SECTION 2 Resolution No. 02-18 is hereby amended to add the revised City Engineer's Report.

SECTION 3 The City Recorder shall cause a copy of this resolution to be filed in the office of the County Recorder and shall mail a copy of this resolution to all affected property owners at their last known address.

Mayor - City of Tigan

EFFECTIVE DATE: This resolution shall be effective immediately.

PASSED: This 12th day of Voyember 2002.

ATTEST:

City Recorder - City of Tigard

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Exhibit A

City Engineer's Report Sanitary Sewer Reimbursement District No. 22 (Howard Drive)

Background

This project was constructed and funded under the City of Tigard Neighborhood Sewer Extension Program (NSEP). Under the program the City of Tigard installs public sewers to each lot within a project area. At the time the property owner connects to the sewer, the owner would pay a connection fee of \$2,335.00 and reimburse the City for a fair share of the cost of the public sewer. There is no requirement to connect to the sewer or pay any fee until connection is made. In addition, property owners are responsible for disconnecting their existing septic system according to Washington County rules and for any other modifications necessary to connect to the public sewer.

Project Area - Zone of Benefit

Existing sanitary sewer lines are located in SW Fonner Street and 121st Avenue as shown on Exhibit Map B. The line from Fonner Street was extended south through a proposed easement then continued along Howard Drive and James Court serving thirty-three lots. The three remaining lots on Howard Drive were served from a line extended from SW 121st Avenue. The three lots between 13470 and 13350 Howard Drive are currently served by a line from Terrace Trails Drive and are not included in the proposed district.

Cost

The final cost for the sanitary sewer construction is \$259,156. Purchase of the required easement cost \$3,520, \$2,800 for the land and \$720 appraisal and negotiation services. Engineering and inspection fees amount to \$34,986 (13.5% of construction cost) as defined in TMC 13.09.040(1). The final total project cost is \$297,662. This is the amount that should be reimbursed to the sanitary sewer fund as properties connect to the sewer and pay their fair share of the total amount. However, the actual amount that each property owner pays is subject to the City's incentive program for early connections.

In addition to sharing the cost of the public sewer line, each property owner will be required to pay an additional \$2,335 connection and inspection fee when connection to the public line is made. All owners will be responsible for all plumbing costs required for work done on private property.

Reimbursement Rate

All properties in this area are zoned R-4.5 and have similar lot sizes as can be seen in Exhibit Map B. Therefore, it is recommended that the total cost of the project be divided equally among the thirty-six properties included in the reimbursement district. Resolution 01-46 limits this fee to \$6,000 to the extent that is does not exceed \$15,000 per owner for connections completed within three years of final approval of the City Engineer's Report.

Other reimbursement methods include basing the proportional share upon the square footage of each property or by the length of frontage of each property. These methods are not recommended because there is no correlation between these methods and the cost of providing service to each lot or the benefit to each lot.

Each property owner's fair share of the public sewer line is \$8,268. Each owner's fair share would be limited to \$6,000 to the extent that it does not exceed \$15,000, for connections completed within three years of City Council approval of the final City Engineer's Report following construction in accordance with Resolution 01-46 (attached). In addition to paying for the first \$6,000, owners will remain responsible for paying all actual costs that exceed \$15,000.

Annual Fee Adjustment

TMC 13.09.115 states that an annual percentage rate shall be applied to each property owner's fair share of the sewer line costs on the anniversary date of the reimbursement agreement. The Finance Director has set the annual interest rate at 6.05% as stated in City of Tigard Resolution No. 98-22.

Recommendation

It is recommended that a reimbursement district be formed with an annual fee increase as indicated above and that the reimbursement district continue for fifteen years as provided in the Tigard Municipal Code (TMC) 13.09.110(5). Fifteen years after the formation of the reimbursement district, properties connecting to the sewer would no longer be required to pay the reimbursement fee.

Submitted October 29, 2002

Agustin P. Duenas, PE



